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C O N F I D E N T I A L SECTION 01 OF 03 BRUSSELS 000189

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DEPARTMENT FOR EUR/ERA (CHASE) AND NEA/NGA

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TAGS: [PREL](#) [EFIN](#) [KDEM](#) [PHUM](#) [PARM](#) [PINR](#) [SNAR](#) [IR](#) [EUN](#)
SUBJECT: EU REACHES COMPROMISE ON UNSCR 1737 IMPLEMENTATION

REF: A. SECSTATE 2659

[1](#)B. BRUSSELS 119

Classified By: POLMINCOUNS LAURENCE WOHLERS FOR REASONS 1.5(B) AND (E)

SUMMARY AND COMMENT

[1](#)1. (C/NF) After protracted negotiations, the Political and Security Committee (PSC) of the EU Council reached agreement January 18 on a draft text on EU's implementation of UNSCR [1](#)737. The draft must still be considered by the foreign ministers' General Affairs Council (GAERC) on Jan 22, and then be fleshed out with legal and implementation details. However, the EU appears on track to having a comprehensive implementation agreement over the next month. According to various PSC sources, the agreement was a compromise which allowed both sides of the debate to claim a victory of principle. On the one hand, it satisfied UK/French requirement that the EU be able to go beyond the UNSCR resolution. It also reportedly includes provisions to include the full Nuclear Suppliers Group list for dual use technology and suggests at least implicitly that the EU will go beyond the UNSCR in casting a wider net on travel and visa bans. On the other, the Italy/Spain coalition successfully insisted that the text remain firmly in the context of the UN criteria. In addition, a paragraph expressing concern about Iran's support for terrorism was stripped from the final text. Sources emphasized that the UNSCR discussion was defined narrowly in part because a broader, experts-level discussion of EU policy towards Iran will be pursued by the German presidency in February. END SUMMARY

THE COMPROMISE

[1](#)2. (C/NF) According to various PSC contacts, the Jan 18 PSC discussion on UNSCR 1737 was much longer than expected. The UK, supported (but quietly) by the French, the Danes and unexpectedly strongly by the Belgians, pushed for a robust implementation close to the original EU-3 position. Italy and Spain, led the opposing camp, reportedly arguing for the "principle" that the EU must respect the "multi-lateral" UN resolution. As EU president, Germany maintained studied neutrality (but one PSC source complained that the drafting session was drawn out because the German rep was on a tight leash and constantly conferring with Berlin).

[1](#)3. (C/NF) The ultimate compromise was that EU sanctions would be "based on the criteria" of 1737, but would implicitly be able to go beyond it -- as one source put it, "there will be a wide interpretation of 1737". Although critical legal drafting remains to be done, the key decisions included an agreement that the full Nuclear Suppliers Group list will be used for preventing imports/exports of dual use

technology, and that the EU will go beyond the UN list of names for the visa/travel bans. Not considered was any action against banks, one source noting that banks were not mentioned in the UNSCR and that the PSC agreement was specifically focused on UNSCR implementation. Absent too was any expression of concern about Iranian support for terrorism or role in the region: the Spanish/Italians expressed concern about the impact of a confrontational approach on Iran and argued that Iran's actions should be part of a planned experts discussion of Iranian policy scheduled for February.

NEXT STEPS

14. (C/NF) Sources agreed that considerable work remains to be completed over the next month. First, foreign ministers must formally ratify the PSC draft in Monday's GAERC. Then, action will move to the External Relations (RELEX) Commission, whose experts will need to flesh out legal requirements. In parallel, the PSC is scheduled next week to consider the addition of names to the UN's 1737 Annex (our contacts were unsure whether new names would have to be considered individually or in a block). This would set the stage for the adoption of binding implementing regulations in matters in which the Commission has competence (e.g., trade), possibly as early as the February 4 GAERC, but might well take a couple additional weeks.

15. (C/NF) Although there was apparently little overt discussion in the PSC of the impact of the UNSCR on European business, a French permrep contact conceded that there were concerns, noting that the question is complicated for Europe, unlike the US which has not been in business with Iran for last 25 years. The same contact hastened to add, however, that it is time for Europe to share some of the burden that

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US companies have shouldered for so long vis a vis Iran. The French indicated that EU members could be receptive to the (U.S.) argument that measures beyond 1737 could be explicitly designed to prevent proliferation financing rather than punish the Iranian people or European business. Comment: Prevention could be an effective angle from which Treasury Deputy Secretary Kimmit could discuss U.S. measures and encourage parallel European measures, including, inter alia, designations, end of export credits. End Comment

POLITICAL DIALOGUES

16. (C/NF) Sources noted that the UNSCR decision should be seen in the context of the more comprehensive discussion of Iran in February, first by member state experts and then presumably by foreign ministers at the February GAERC. That discussion will reportedly include the resumption of three now-moribund dialogues with Iran on: political issues (including the regional situation, human rights and counter-narcotics). It will also look at ways to increase the impact of the European civil society programming in Iran, both at the bilateral and EU level.

17. (C/NF) According to contacts in the Council Secretariat and the UK Permrep, the EU-3 will try to use the human rights dialogue to lure Mediterranean (esp. Italy, Greece, Spain) and Nordic members into a broader policy debate on Iran that would address Iran's support for terror and destabilizing actions in the region. While the EU is expected to reaffirm its commitment to the human rights dialogue with Tehran, member states are ambivalent about simultaneously raising the counter-narcotics dialogue. Some have expressed concerns that Iran could try to link the two dialogues. Conducting "business as usual" on counter-narcotics or political issues could also dilute pressure on Tehran over its non-compliance on the nuclear file. As a complement to resurrecting EU-Iran dialogues, the EU-3 and the Council Secretariat were also encouraging the EU to launch a more comprehensive discussion of Iran in its schedule of regular bilateral dialogues with

the Gulf Cooperation Council, Egypt, Russia, Euromed and other concerned parties.

Broadcasting

18. (C) European Commission officials and German and UK Permrep contact stated that the EU is supportive of increasing international Farsi-language broadcasting into Iran. They want to know more about U.S. programming and plans in this regard (Ref A). At the same time, the EU machinery itself has little know-how and may look to member states to take the lead. Indeed, the Commission has no standing functional expertise in third country broadcasting. Any EU-funded country-specific broadcasting initiatives are normally vetted by an ad hoc panel comprised of outside experts, EU regional assistance specialists and policymakers.

According to a UK contact (strictly protect), the Netherlands, and Czech Republic have expressed particular interest in broadcasting. The British Broadcasting Corporation (BBC) is planning to send a delegation to Brussels in late February or early March to drum up support for EU-sponsored broadcasting from senior policy officials in DG Relex and the Council Secretariat, as well as likeminded Members of European Parliament. (COMMENT: In advance of this UK initiative, Washington may wish to explore with HMG the possibility of low-key bilateral consultations between technical and policy experts that could be expanded to include potential EU (or other regional) providers of funding, content, and transmission facilities. END COMMENT)

Civil Society Programming

19. (SBU) The EU currently has no formal coordination mechanism related to exchange information on civil society and other assistance programming. EU member states with representation in Tehran coordinate their bilateral efforts informally. The need to increase the impact of the European civil society programming in Iran, both at the bilateral and EU level is widely recognized. According to Commission sources, the EU may consider the creation of a new internal consultative mechanism.

Internal EU Intelligence Sharing Difficulties

10. (C/NF) A likeminded EU member state contact noted that the EU Situation Center had difficulty disseminating evidence to the 27 member states of Iran's support for terror and destabilizing regional behavior because of EU national governments' justifiable concerns about safeguarding

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intelligence information. As an unintended consequence, likeminded member states could not deploy intelligence to full effect in persuading skeptical EU member states representatives of the need for tough sanctions against Iran.

Comment: We may wish to consider a USG briefing of EU member states' Political and Security Committee Ambassadors. We conducted a similar exercise with the EU regarding the China Arms embargo in which U.S. briefers traveled to Brussels to present specific and detailed information. That sharing of information proved to be pivotal in bringing about a policy reversal within the EU. In the case of the arms embargo, the information was shared with a small number of named individuals because of releasability constraints. In order to influence a decision by consensus on a matter of Common Foreign and Security policy, we will need to engage all member states. Such an information exchange should become easier once the US-EU Security of Information Agreement is signed early this year (ref b).

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